



U.S. Department of Justice

United States Attorney
Western District of New York

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PRESS RELEASE

March 8, 2005

CITY EMPLOYEE PLEADS GUILTY TO RECEIVING KICKBACKS

RE: UNITED STATES v. STEVEN YOUNG

United States Attorney Michael A. Battle announced today that Steven Young, age 43, of 71 Rockview Terrace, Rochester, New York, has pleaded guilty in front of United States District Court Judge Charles J. Siragusa to mail fraud, in violation of 18 U.S.C. §1341, which carries a maximum sentence of 20 years imprisonment, a \$250,000 fine, or both.

Assistant U.S. Attorney Richard A. Resnick, who is handling the case, stated that Young was a rehabilitation specialist for the City of Rochester, and he was responsible for writing specifications for the rehabilitation of privately owned housing within the city. The homeowners must first qualify for a grant program administered by the city and

funded by HUD. The homeowner then has to select four construction companies to bid on the project and one of these companies has to be minority owned. These grants range between \$10,000 and \$30,000 per project and the homeowner may qualify for more than one type of grant.

Young admitted to receiving bribes from various contractors in return for steering contracts to the contractors during the years 2002 through 2004. Young would steer the contracts to the contractors by telling the contractors the amount of the lowest bid. The contractors would then bid a lower amount than the lowest bid in order to win the bid. After the contractors were awarded the project, the contractors would pay Young between \$300 and \$500 in cash, depending on the size of the contract.

Young also submitting two final inspections that verified that all rehabilitation work had been completed on two grants totaling \$25,000 in connection with worked performed at 457-459 Emerson Street in Rochester, New York. Both of these grants were federally subsidized HUD grants that were administered through the City of Rochester. Young made false statements in these final inspections when he signed them and certified that the rehabilitation had been completed, when in fact it had not been completed. The purpose of submitting the false final inspections was so that the contractor could receive the grant money prior to the completion of the project.

The conviction was the culmination of an joint investigation on the part of the Federal Bureau of Investigation, under the direction of Peter Ahearn, the U.S. Department of Housing and Urban Development, Office of Inspector General, under the direction of Ruth Ritzema, and the United States Postal Inspection Service, under the direction of William E. Kezer.

Young is scheduled to be sentenced on June 14, 2005 at 2:30 p.m. .

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